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# Spotlight

## ON FOREIGN MARKETING



A280-39  
F76S

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TO FAS MARKET DEVELOPMENT COOPERATORS AND AGRICULTURAL ATTACHES

Volume VII, No. 7

MAY 7 1965

August, 1964

### COOPERATORS AND FAS HOLD JOINT WASHINGTON MEETING

Progress and plans for market development were reviewed at a joint FAS-Cooperator meeting in Washington, July 23-24. Thirty-six representatives from twenty cooperator organizations attended.

Dorothy H. Jacobson, Assistant Secretary of Agriculture, spoke at the July 23 luncheon session, noting record agricultural exports for fiscal 1964 and the role of market development in this accomplishment. Important as they are, the responsibilities of market development go beyond the promotion of markets. It involves showing the world what the partnership relationship of government and private industry can mean in a free society and the larger responsibilities that go with it.

Ray Ioanes, FAS Administrator, referred to the growth of the program over the past few years. The program has come of age. We have come to the point where we will have to be tested in depth. People are anxious to know what we have done and also what we haven't done. Several aspects of the program, particularly supervision and control of travel and entertainment,



Assistant Secretary Dorothy Jacobson being introduced at the July 23 FAS-Cooperator Luncheon. Applauding is Ray Ioanes.

need to be strengthened. We know it is a good program and we want to make it even better.

Lester P. Condon, the Department of Agriculture Inspector General, discussed the manner in which audit and investigation is improving the market development program, and helping to insure economy and effectiveness in the enterprise. He emphasized that our efforts will be self-defeating unless cooperators scrupulously adhere to the

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high ethical standards required of the U.S. Government representatives with whom they are jointly engaged, and maintain a personal behavior reflecting credit upon the U.S. abroad.

Dave Hume, FAS Assistant Administrator for Export Programs, spoke of the responsibility of FAS and the cooperators in representing American agriculture. The program is being increasingly recognized by friends and critics. This is an inevitable result of such a growing and important program. We are making improvements.

We now have the skeleton of a system of marketing plans. Each year we should be putting more flesh on it. Nothing can happen in this program that doesn't affect everyone of us. We have a joint program that has to operate as one in terms of policy and administration. Meetings like this will help to achieve that purpose.

C. R. Eskildsen, FAS Associate Administrator, led a discussion on ways and means of improving supervision, including the functions and relationships of the various FAS and cooperator offices in supervising the program. Points made included: The need for coordination among the U.S. cooperator offices, FAS commodity offices, cooperator overseas country or regional offices, and agricultural attaches; and the importance of a clear delegation of responsibilities in keeping control of the program.

Doug Crawford, FAS Assistant Administrator for Agricultural Attaches, mentioned the key role of the attaches in assisting the cooperators to develop and carry out market development programs. Four returning attaches and

five new assistant attaches were present and were introduced to the group.

## REPORTS AND DISCUSSIONS

A summary of some of major reports and discussions at the FAS-Cooperator Meeting.

Changes in FAS Regulations - Shortly before the conference FAS distributed amendments to the regulations dealing with travel and entertainment. During the conference a statement was distributed on the major points proposed in a revision of the chapter dealing with cooperator field offices and cooperator personnel. Two major points came out of this discussion: Cooperators felt that the term "entertainment" should be avoided if possible, and made specific recommendations for new terminology and new definitions in this area. In regard to the other proposals and any that might be made in the future, they recommended that these be discussed with a cooperator committee to develop an expression of cooperator reaction and recommendations.

Marketing Plans - FAS reported that all marketing plans for fiscal year 1965 have now been received. Marketing plans for cooperators operating on a calendar year basis will be due on or before November 15, 1964. A seminar on marketing plans was announced for late September. To assure getting proper credit for the submission of marketing plans, cooperators are reminded to send one copy direct to the Trade Projects Division. A brief presentation was given on points where





John D. Palmer, the new President of Tobacco Associates, Inc. He succeeds the late John B. Hutson. His appointment becomes effective September 1. Mr. Palmer has been in the tobacco export trade for about 35 years, and is now the Executive Vice President, James I. Miller Tobacco Company, Wilson, North Carolina.

the marketing plans submitted could have been improved. Comments were received from the floor on how commodity divisions and cooperator offices can assist in the development of good marketing plans.

Reports - It was announced that, for the first time since the inception of the program, there are no outstanding annual progress reports. About 5 terminal reports are still outstanding. Cooperators were reminded that annual progress reports for projects on a fiscal year basis will be due August 15, 1964. It was pointed out that in the future these reports will be compared to the annual marketing plans covering the same period. Some suggestions were given for improving

current annual progress reports in line with the increasing emphasis on improved quality. A request was made by a cooperator for a workshop on reporting. Comments were received concerning the information a progress report should contain from the standpoint of a cooperator supervisory office and FAS commodity divisions.

Research - It was pointed out that as country promotion programs pass the stage of "doing the obvious" and become larger and more sophisticated, the need for research increases. Thus, cooperators, in preparing marketing plans, have found a need for research to establish "bench marks" against which to compare their goals with follow-up measurement to determine whether the goals have been reached. It was felt that no formula could be developed to determine the amount of research that was needed. For some small country projects, no research may be justified. For the larger projects, research is essential to effective operations.

Accounts and Billings - FAS representatives stated that whereas considerable progress had been made in cooperator billings, there was still need for substantial improvement. One example was pointed out where the attache had been administratively approving vouchers which the embassy had certified and paid, and which did not include copies of the bills to support the items covered in the voucher. The major point the discussion developed was that a definite need exists for more uniform procedures in the billing and accounts process. The need is not limited to cooperator offices, and includes many attache and embassy budget and fiscal offices.



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Budget - W. A. Minor, FAS Assistant Administrator for Management, stated that the President's budget for 1965, as presented to Congress, provided for an increase of \$1,698,000 for market development in the Salaries and Expense Appropriation. The House has eliminated all of this increase. The Senate has been asked to restore the cut, but Senate action is still pending. Mr. Minor pointed out that the requested increase is an actual increase of only \$286,000, since there is an offsetting decrease in funds to be obligated from the Special Foreign Currency Appropriation of \$1,412,000, of which \$935,000 was used in non-excess currency countries. If the entire cut is restored, the funds available for the 1965 program in non-excess currency countries will be \$763,000 larger than for the previous year.

It was reported that FAS signed up last year a total of about \$16 million in cooperator and FAS market development projects.

Trade Fairs and Centers - The schedule of trade fair and trade center exhibits for 1965 was presented by J. K. McClarren, Director, FAS International Trade Fairs Division. He emphasized the importance of early planning and that it had become necessary to work 12-18 months ahead because of the competition for space at international trade fairs. It was explained that FAS is concentrating more on trade relationships and less on public exposure of products, and that the schedule had been broadened to include several different types of exhibits in order to give the largest possible coverage to cooperators and other participants in the program.

## COOPERATOR RECOMMENDATIONS

(In the late afternoon of July 23 and morning of the 24th, the cooperators were invited to meet alone and bring in recommendations for improving the program. Five questions had been proposed by Mr. Hume and the cooperators were invited to comment on these along with other matters.)

At the July 24 business session Ray Steinbach, Cotton Council International, reported that the cooperators had met and agreed to establish a committee to discuss changes in regulations and other matters of mutual interest with FAS.

The following cooperator representatives reported on questions asked the previous day:

William G. Lodwick, Millers' National Federation - "Would supervision of market development be improved if the agricultural attaches had more time to give it?" The cooperators felt that the attaches were an integral part of the program and under present conditions were giving the most time possible to market development. Some improvement might be possible by: (1) reducing the workload relating to checking of vouchers, thus permitting more attention to program planning and execution; and (2) by bringing about better understanding and more uniform interpretations of market development regulations and functions.

Clarence D. Palmby, U.S. Feed Grains Council - "How should entertainment be handled and how should it be controlled?" The cooperators recommended that entertainment be covered in the regulations under the following categories: (1) courtesies, or

entertainment and courtesies; and (2) business functions and relations. The thought was expressed that entertainment should be listed alongside the appropriate market development activity so that it could be evaluated according to its function in the program.

George M. Strayer, American Soybean Association - "How often should the U.S. based supervisor visit his foreign offices?" The cooperators were of the opinion that it was impossible to write regulations for supervisory travel to fit the needs of all cooperators. Some overseas offices might require two visits a year, some more, some less. They recommended that this problem be negotiated on an individual basis by FAS and each cooperator.

Howard W. Hardy, Great Plains Wheat, Inc. - "Are we headed in the right direction with marketing plans and other recent program changes?" There was recognition among the cooperators that progress is being made, but a feeling that regulations are being drafted in terms of Government operations rather than for the private industry groups in the program. The thought was expressed that regulations could be improved without continually adding new details, that principles and clarification of items were the important things needed at this time.

William G. Lodwick - "Have the regulations been changed without sufficient notice?" The cooperators answered in the affirmative, and suggested that a Cooperator Committee consider the changes scheduled to go into effect September 1.

## IOANES SUMMARIZES

In summarizing the conference, Ray Ioanes said he embraced the idea of a committee of cooperators, and that FAS would carefully consider the suggestions of the cooperators at this meeting. Our big job now is to understand each other. There is no substitute for such meetings on a regular basis. Sometimes we take too long to make changes. On many points we need more definitive regulations in order that the intent be clearly understood. He reemphasized that market development is a good program, and that the only purpose of FAS is to make it even better.

## WE MEET AGAIN IN SEPTEMBER

Another FAS-Cooperator meeting has been tentatively scheduled for September 24-25 in Washington. A marketing plans seminar will be held in conjunction with this meeting.

The final 1964 FAS-Cooperator meeting will probably be in late November or early December. A special session on reports is scheduled for that time.

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The \$6.1 billion export figure for 1963-64 is equal to the value of all the gold ever mined in California, plus an additional 50 percent. Expressed another way, it represents about six dollars for every minute since the birth of Christ.



## RECORD AGRICULTURAL EXPORTS

On September 17, 1963, the late President Kennedy made this statement to the Nation's top business leaders assembled at the White House Conference on Export Expansion, ". . .if you can just add 10 percent to the exports of last year which should not be beyond the possibilities for this very resourceful group of entrepreneurs in the United States we could meet all of our balance of payment problems."

Agriculture, apparently, did its part in export expansion. The latest figures show that U. S. agricultural exports in 1963-64 soared to an all time high of \$6.115 billion, 20 percent above the level of 1962-63. Practically all of this gain was in dollar sales. Dollar exports rose to a record high of almost \$4.6 billion, as compared to \$3.6 billion the previous year.

Principal increases occurred in wheat and flour, cotton, feed grains, soybeans, rice, tobacco, tallow, lard, dairy products, poultry products, and meat. Small declines took place for fruits, vegetables, and vegetable oils.

U. S. market development efforts abroad were among the factors contributing to the gain in exports. Others include, the economic advancement of Western Europe and Japan, expanding population, improving diets, competitive pricing, better quality of U. S. exports, and improved service to exporters.

In 1963-64, the production of one out of every four harvested acres went for export. On a value basis, agricultural exports were equivalent to 17 percent of total cash receipts from U. S. farm marketings. The export



Katy Sue Meredith (right), the 1964 Maid of Cotton, meets Mrs. Charles (Jennie) Jaco, the 1945 Maid of Cotton, at a press reception in Berne, Switzerland. Jennie is the wife of Lieutenant Colonel Jaco, presently Assistant Military Attache at the American Embassy in Berne.

market provided an outlet for three-fourths of the wheat production; two-thirds of the rice and nonfat dry milk; half of the dry edible peas, over two-fifths of the tallow, soybeans and hops; about a third of the cotton, rye, prunes, and dried whole milk; about a fourth of the lard and tobacco; and one-fifth of the raisins, dry edible beans, cottonseed, grain sorghums, and barley.

## MEAT PROMOTION IN HIGH GEAR

Since the May 26 signing of the market development agreement between the American Meat Institute and the Department of Agriculture for the promotion of U. S. beef exports, the following has occurred:



--A July 11 shipment from Norfolk, Virginia to Genoa, Italy of 771 head of feeder cattle. Assistant Secretary George Mehren represented President Johnson and Secretary Freeman at the dockside ceremonies. An additional 543 feeder cattle were shipped to Italy from Baltimore July 25. Other European shipments of feeder cattle are anticipated.

--A trial air shipment of 3-week-old veal calves to Milan was made July 3. Additional air shipments are expected.

--Beef missions have come to the U. S. from Italy and France, and teams are expected from Germany and Spain, plus technical missions from France.

--Displays and exhibits of U. S. beef have been held in London, Paris, and Antwerp, and others are planned in Europe this year. The LEFA International Fair, Hamburg, Germany, August 14-23, will feature exhibits, sampling and sales of U. S. meats, and a 1-day meat seminar including meat cutting demonstrations for the trade.

## 1965 TRADE FAIR SCHEDULE

The FAS International Trade Fairs Division has tentatively scheduled major exhibits at the following fairs in Europe next year: Ideal Home Show, London, March; Feria del Campo, Madrid, May; ANUGA International Fair, Cologne, September-October; Salon Internationale de l'Alimentation, Brussels, October; and International Agricultural and Livestock Exposition, Santiago, Chile, October.

There will also be FAS-Cooperator and trade exhibits at the Northern Hotel and Catering Show, Blackpool, England, February, 24-29; International Agricultural Fair, Verona, March; Ideal Home Show (Food), Brighton, England, April; and Foire de Luxembourg, May.

The London Trade Center will have a Feed Symposium and Show, February 14-28, and a Food Trade Show, February 29-March 13. Another food and agricultural show will be held at the London Trade Center sometime during the fall of 1965.

Plans for the Tokyo Trade Center include: Processed Food Exhibit, March 8-26, and Forage Seeds, August 16-September 3.

The Milan Trade Center will have an agricultural show April 12-25, 1965.

## BENELUX COOPERATORS MEET

U. S. market development co-operators in the Benelux countries had a meeting at the Hotel Kons in Luxembourg, June 2. The subjects discussed included: needs, opportunities and problems of market development; trade fairs as a means of market development; budget and accounts, contracts and uniformity; and functions, responsibilities and opportunities of Third Party co-operators. Clayton Whipple, Agricultural Attache, Brussels, and William Bing, Acting Agricultural Attache, The Hague, officiated. Ten U.S. cooperator organizations were represented at the meeting.

